Effect of Audit Committee Characteristics on the Timeliness of Financial Reporting in Nigeria

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Authors’ contributions

This work was carried out in collaboration between both authors. Author GTA designed the study, performed the statistical analysis, wrote the protocol and first draft of the manuscripts. Author OOA managed the analysis of the study and literature searches. Both authors read and approve the final manuscripts.

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ABSTRACT

This study investigated the effect of audit committee effectiveness on the timeliness of financial reporting in Nigeria using listed companies in the food and beverages industrial sector of Nigeria economy. The period under review spans from 2011-2015. Data collected were analyzed using both descriptive and inferential methods of statistical analysis. Descriptive statistical analyses employed include mean and standard deviation while inferential statistical analyses employed in the study include correlation and regression analysis. The study revealed that there is no significant relationship between audit committee size and timeliness of financial reporting among listed food and beverages companies in Nigeria. The study further revealed that the relationship between frequency of meetings and timeliness of financial reporting among listed food and beverages companies in Nigerian is not significant. The study concluded that a proportional increase in frequency of meetings will increase timeliness of financial reporting and vice versa and this is not statistically significant meaning that frequency of meetings have no significant relationship with timeliness of financial reporting. The study recommended that audit committee size should not be increased beyond the regulatory specification of six.

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1. INTRODUCTION

Financial Reports is the financial statement prepared by the management in form of income statement, statement that are statutorily and professionally required for auditors attestation at the appropriate period required by law and made public at the appropriate time for interested user for economic decision making. Audit committee comprises six members who are required to provide attestation report to the financial statements at the appropriate period and such attestation is made public Nigerian stake holder in the capital market and financial institution expressed deep concern over the large scale malpractices and abuses of the rule of firmly financial reporting. For instance, Central Bank of Nigeria in 2009 sacked chief executive directors of five banks namely: Afribank Plc., Fin Bank Plc., Intercontinental Bank Plc., Oceanic Bank Plc. and Union bank Plc. due to high level of non-performing loans in the five banks attributable to poor corporate governance practices, lack credit administration processes and non-adherence to the bank credit risk management practices. The Security and Exchange Commission promulgated the Nigeria Code of Corporate Governance in 2003 to enable companies listed on the Nigerian stock Exchange to establish an audit committee to enhance the oversight function of the board of directors and to restore public confidence in the integrity of financial reporting. Therefore, the duties of audit committee include overseeing the financial reporting process. Thus, external auditor attest to financial statement of firms to provide assurance of financial integrity to the investors that the statement are prepared according to the rules and no material misstatements and manipulation are involved. Although, studies have been conducted on audit committee characteristics in Nigeria [1]; [2]; [3]; [4], hardly have we found studies on Nigerian consumer goods manufacturing industry. This study therefore, attempts to investigate whether corporate audit committee attributes significantly affect the timely provision of audit report for various users’ needs and compliance with relevant provision of International Financial Reporting Standards. The broad objective of this research is to examine the effect of audit committee effectiveness on the timeliness of financial reporting in Nigeria while the specific objectives of the study are to:

i. Investigate the relationship between audit committee frequency of meeting on timeliness of financial reporting.

ii. Assess the effect of audit committee size on the timeliness of financial reporting.

The hypotheses tested in this research are:

H01: There is no significant relationship between audit committee frequency of meeting on timeliness of financial reporting.

H02: Audit committee size have no significant effect on timeliness of financial reporting.

2. THEORETICAL LITERATURE

This study is rooted from canon principles of agency theory and resource dependent theory as illustrated below:

2.1 Agency Theory

Agency theory is credited to Jensen and Meckling [5] This theory stipulates that separating ownership and control can make information asymmetry. Hence, the directors and managers of the companies can use the opportunity to exploit the shareholders and cause delay in financial reporting useful for shareholders’ assessment of managerial performance who may delay the report for their own economic benefits There should be lack of delay or shorter timing of audit report released. [6] illustrated the existence of an agency relationship as a relationship arising from a contract established between the principal who use agents to perform services of interest to the principal in the event of separation of ownership and control of the company. Between the internal and external parties there are differences that can lead to abuse of the financial statements [5]. In the model agency designed a system that involves both parties that the relationship management (agents) and owners (principal). Agency Theory assumptions support the timelines of audited financial reports and importance of timeliness of financial reporting to public and users of financial statements. Agency theory explain the relationship that exist between shareholders(owners) and Board of Directors who run the company affairs on behalf of owners (shareholders) and the importance of the timelines of audited financial reports for purpose of audit standards compliance and regulatory adherence.
2.2 Resource Theory

Resource theory is propounded by Pfeffer and Salancik [7]. This explained that organisations dependent on their external environment, assumes that organizational effectiveness results may result from the firm ability to manage resources and capacity to secure basic resources from the environment. Ruigrok et al. [8] documented that board member networks and contracts are fundamental for their ability to perform the role of securing contract for their companies. This theory studies the relationship between the boards of directors as provider of resources and financial reporting quality.

2.3 Empirical Studies

2.3.1 Empirical studies from developed countries

Velte and Stiglbauer [9] provided empirical analysis on impact of audit committees with the independent financial experts on accounting quality in German capital market and used annual reports analysis of Germany Corporation listed on the DAX30, TecDAX, MDAX and SDAX. The regression result showed a significant negative link between the independence financial expertise of audit committee earnings management and accounting errors. The study employed t-test and multivariate regression analysis, multicollinearity, ordinary least squares parameters estimates.

Alwi and Melaka [10] empirically examined the relationship between audit committee (audit committee independent, expertise, meeting, gender and ethnicity) and propensity of fraudulent financial reporting in Malaysia. Their sample includes 116 frauds and non-fraud companies listed on Bursa, Malaysia between 2005-2010. The author finding indicated that the audit committee independence is positively associated with fraudulent financial reporting. This study explained further that the higher the proportion of independent or outside director in the committee, the higher the propensity of financial fraud occurrence. Furthermore, the result showed that the audit committee expertise is negatively associated with corporate fraud, which proved that when the audit committee members are financially literate, they are more competent to curb.

Zabojnikova [11] empirically assessed the audit committee characteristics and firm performance in the London, U.K companies listed on the London Stock Exchange. The author findings revealed that audit committee has an impact on UK firm performance that is significant relationship existed between audit committee size, frequency of meetings, financial experience and firm financial performance. Furthermore, the result revealed that committee independence has negative correlation with firm performance. The study employed fixed effect panel data regression model to analyse the panel data using statistical program (E-Views), sample of 72 British non-financial companies listed in the London Stock Exchange included in FTSE 100 index that have audit committee and disclosed information necessary for our study, sample 72 non-financial companies chosen from different industries with exception of financial industry for period of 2011 – 2015. The result of the descriptive statistics showed that used correlation analysis, used fixed panel data regression.

McGee et al. [12] presented empirical legal study on the timeliness of financial reporting in the Russian Banking sector and compare the outcome with security exchange commission benchmark. The sample include annual report written in English language obtained from Russian company websites and Securities and Exchange Commission website using data from 79 Russian bank. The study concluded that financial reporting in the Russian banking sector was below the standard of the developed market economies in terms of timeliness, Also concluded that Russian banks that issued their financial statements in English reported at the appropriate period. Furthermore, the authors found that the Russian banking industry failed to report financial results on a timely basis as a general rule and that the recent financial history seemingly indicated that the situation was getting worse than before. The study also found that some factors might have influenced the timeliness of financial reporting. Banks that reported their results using International financial reporting standards took significantly longer time to publish their reports than banks that use either U.S Generally Accepted Accounting Principles or Russian Accounting Standards. Banks that obtained Grant Thornton were significantly faster in reporting their results than banks that retained Russian firm.

McGee and Yuan [13] examined the timeliness of financial reporting in the People’s Republic of China using eighteen Chinese companies listed
in Hoover's company list. The researchers also examined which independent audit firms issued the audit opinion and set of accounting standards to determine which audit firm and accounting standards dominate. Furthermore, the study examined corporate governance and timeliness of financial reporting: Empirical study of the People’s Republic of China where information of annual report published in English language of Chinese companies were used to extract the audit opinion and count the number of days between year-end and the date of the audit report Using twenty one Chinese companies for comparison also used five most recent annual report. The result showed that Chinese companies took longer time to issue their financial statement than non-Chinese companies. Thus, Chinese financial statements are less timely than the financial statement of non-Chinese companies in developed market economies.

Zhuoan [14] empirically investigated Audit Committee Characteristics and Financial Reporting Comparability using Compustat database and Governance Metrics International (GMI) database over the period of 2004–2008. The study employed univariate and multivariate regression analysis. The study revealed that that a firm’s financial information tends to be more comparable to its industry peers when the firm's audit committee is larger in size and has more members with financial and accounting expertise.

McGee [15] examined the timeliness of financial reporting in the People’s Republic of China using several numbers of Chinese companies’ annual reports between 2002 -2006 with twenty-one non-Chinese companies. The author found that Chinese companies took significantly longer time to issue their financial statements than non-Chinese companies. Thus, Chinese financial statements are less timely than the financial statement of non-Chinese companies in developed market economies.

Retnoningrum et al. [16] examined the effect of gender and expertise of audit committee on the audit committee meeting frequency on a sample of 181 companies listed on stock exchanges in Indonesia for a period of 2012. The study employed descriptive statistics and logistics regression analysis. The study found that the audit committee expertise in accounting and finance does not give effect to audit committee meeting frequency. Furthermore, the researchers’ findings indicated that the presence of woman in the audit committee has no significant influence on the audit committee meetings frequency.

2.3.2 Empirical evidences from developing countries

Pausa et al. [17] empirically investigated the relationship between audit committee characteristics and timeliness of financial reporting and examined the changes on the timeliness of financial reporting after the revision of Malaysia code of corporate governance in 2007 and before the revised code. They sampled 669 public listed companies in Bursa, Malaysia between 2004 -2011 period before and after Malaysia 2007. They also looked at the timeliness of financial reporting for pre and post period of Malaysia 2007 and used regression analysis and t-test. The result of regression test revealed that audit committee independence level and activity are significantly associated with the timeliness of financial reporting for the period before Malaysian 2007. Moreover, the result after Malaysian 2007 indicated that the composition of non-executive director’s size and financial expertise showed significant relationship to the timeliness of financial reporting.

A study conducted by Fakhari and Pitenoei [18] on the impact of audit committee and characteristics of firms’ information environment during the period of 2008-2015: the period before and after the approval of internal control guidelines; sample 484 firms and employed panel data technique multivariate analysis of regress, F-Statistics and Durbin Watson Statistics. The result of a panel data revealed that the independence and financial expertise are positively associated with information environment. Furthermore, the result also revealed no significant relationship between other characteristics and information environment.

Gajevszky [19] empirically studied the timeliness of financial statements of the companies across the European Union emerging economies; included 37 companies listed on Bucharest Stock Exchange, Warsaw Stock Exchange, Prague Stock Exchange and Budapest Stock Exchange and employed national logarithms, mean, median range, standard deviation and model. He found a slightly decreased of days delayed in the case of analysed emerging economies. Moreover, the result showed consistent with other researchers’ findings, the result also revealed that polish companies have the longest time delay of 86 days.
Odit [20] examined the effect of corporate governance on timeliness of financial reporting of companies listed in Nairobi securities exchange; the researcher employed 181 companies listed in stock exchange from the period of 2012. He analyzed the results by using logistic regression analysis; the study found that on average, the companies listed at Nairobi securities Exchange took up to 107 days after end of financial year to release financial statements to the public. Moreover, he found that increased board size increases the number of days before release which affect the timeliness negatively.

Adhikary and Mitra [21] empirically investigated the determining factors of the audit committee independence in the financial sector of Bangladesh employed a cross-sectional regression analysis on 72 financial companies; used a sample of seventy-two listed companies from the financial Bangladesh. The study employed the person correlation co-efficient to analyzed the variables and found negative relationship between the size of the audit committee and independence but they found no significant association between audit committee, independence and financial experts.

Sakka and Jarboui [22] focused on the relationship between corporate governance, external auditor’s characteristics index and timeliness in light of the recent amendments to the financial security law, 2005 in Tunisian; employed panel data methodology of 28 Tunisian companies listed on the Tunisian Stock of Exchange over the period 2006-2013. The study found that the good structures of corporate governance play a key role in improving the quality of timeliness of financial statement and also found that whenever the audit report publication date prove to be short and the external auditor’s characteristics index is discovered to be high.

2.3.3 Empirical evidences from Nigeria

Adeniyi and Okpala [4] examined the impact of audit independent on financial reporting in Nigeria using a sample of four hundred and ten respondents employed descriptive of (frequency and percentages), t-test and regression analysis and found a significant positive relationship between audit quality and the quality of financial reporting.

Ozoanigbo et al. [1] empirically investigated the effects of audit committee effectiveness on the financial reporting timeliness of companies quoted under the pharmaceutical industry in the Nigeria. The study employed correlation analysis and Ordinary Least Square regress and their result indicated that audit committee effectiveness has positive and significant on the financial reporting timeliness of companies quoted under the pharmaceutical industry. Furthermore, the authors’ finding indicated that 64% changes in financial reporting timeliness was caused by audit committee effectiveness.

Iyoha [3] employed ordinary least square regression to study the impact of company attributes on the timeliness of financial reports in Nigeria on a sample of 61 companies annual reports listed on the Nigeria stock exchange between 1999-2008. The study revealed that the age of company influenced the overall quality of timeliness of financial reports in Nigeria. The panel estimation technique showed a significant difference in the timeliness of financial reporting among industrial sectors in Nigeria but found banking sector to be timely in financial reporting than other sectors.

Adebayo and Adebiyi [2] investigated the timeliness of financial statements among the Deposit Money Banks in Nigeria capital market; sample of 15 Deposit Money Banks listed by the Nigeria Stock Exchange between 2005 and 2013. Ordinary Least Square (OLS) Regression, panel data estimation technique and Correlation analysis. Researchers predicted that most of the banks complied with regulations which enhance timely reporting of financial statements in Nigeria. Earnings per share, bank size and audit size showed significant effect in determining timeliness while leverage indicated no bearing on financial reporting lag.

Moses et al. [23] assessed the influence of audit committee characteristics on quality of financial reporting in listed Nigerian banks. The study sampled fifteen banks whose shares are traded in the Nigerian Stock Exchange (NSE). They employed correlation research design, descriptive statistics, Pearson Correlation analysis, linear regression and bivariate analysis. The study found that audit committee independence has no significant effect on earnings management in quoted Nigerian banks.

3. METHODS

3.1 Population and Sample

The study population consists of ten consumer manufacturing companies quoted consumer
goods manufacturing companies in Nigeria Stock Exchange. The companies are Champion Breweries, Flour Mills of Nigeria, Guinness Nigeria, Pz Cussions, Dangote Flour Mills, UAC, Nigeria Breweries, Unilever Plc., Nestle and Dangote Sugar. The study used systematic sampling techniques was used in selecting 10 the 10 companies sampled.

3.2 Sources of Data

Secondary data collected was employed for the study. The data used span from 2011-2015.

3.3 Scope and Method of Data Collection

The data was sourced from Champion Breweries, Flour Mills of Nigeria, Guinness Nigeria, Pz Cussions, Dangote Flour Mills, UAC, Nigeria Breweries, Unilever Plc., Nestle and Dangote Sugar companies sampled in the study.

3.4 Variables Description, Model Specification and Estimation Technique

The independent variables are: audit committee size, audit committee meetings and audit committee expertise independence and audit committee financial expertise while the dependent variable is financial report timeliness. This study adopted the descriptive statistics, multi-collinearity, multiple regression and correlation tests. The model used for this study was adopted from the work of Siti and Aminul [24] and were modified to suit the purpose of this study. [24] model is specified thus:

$$ARL = \beta_0 + \beta_1 (BIND) + \beta_2 (ACSIZE) + \beta_3 (ACQUAL) + \beta_4 (ACMEET) + \beta_5 (AUDTYPE) + \beta_6 (AUDOPIN) + \beta_7 (ASSETS) + \beta_8 (PERF) + \varepsilon$$

Where

- $ARL$ = Audit Report Lag; $BIND$= Board Independence; $ACSIZE$= Audit Committee Size; $ACQUAL$= Audit Committee Qualification; $ACMEET$= Audit Committee Meeting; $AUDTYPE$= Audit Type; $AUDOPIN$= Audit Opinion and $PERF$= Firm Performance.

Audit Report Lag is a function of explanatory variables (Corporate Governance Characteristics).

Siti and Aminul model was used with modification in this research. The model was reduced with reduction in variable for corporate Audit Committee characteristics. Therefore, the model employed in the study is specified as:

$$FRT_{it} = d_0 + d_1 (AUDIN_{it}) + d_2 (AUDFE_{it}) + d_3 (AUDSIZ_{it}) + d_4 (AUDGD_{it}) + E_{it}$$

Where:

- $FRT$= financial report timeliness; $AUDIN$= audit committee independence; $AUDFE$= audit committee financial expertise; $AUDSIZ$ = Audit committee size; $AUDGD$ = audit committee gender diversity; $d_0=Constant$; $d_1-d_4$ = are the coefficient of the regression equation; $E$ = Error term capturing other unexplanatory variables.

4. ANALYSIS AND INTERPRETATION OF RESULTS

Table 1 showed the mean, maximum values, minimum values and standard deviation for each of the variables. Mean = 0.69387755, standard deviation = 0.465657315 which is lower than the mean and suggest that the timeliness of financial reporting gathered for the sample companies exhibit considerable clustering around the average. The minimum and maximum observations for the study period were 0 and 1 respectively. The audit committee size (ACM) has mean value of 5.8 with standard deviation of 0.6069152 which suggest that audit committee size distribution exhibit considerable clustering around the average.

Table 1. Results of descriptive statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFR</td>
<td>50</td>
<td>0.000000</td>
<td>1.000000</td>
<td>0.69387755</td>
<td>0.465657315</td>
</tr>
<tr>
<td>ACS</td>
<td>50</td>
<td>4.000000</td>
<td>6.000000</td>
<td>5.800000</td>
<td>0.6069152</td>
</tr>
<tr>
<td>ACM</td>
<td>50</td>
<td>1.000000</td>
<td>6.000000</td>
<td>3.760000</td>
<td>1.00122374</td>
</tr>
<tr>
<td>ACE</td>
<td>50</td>
<td>0.000000</td>
<td>0.667000</td>
<td>0.173000</td>
<td>0.161315763</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Analyses, 2018
The minimum and maximum observations were 4 and 6 members respectively. For audit committee frequency meetings (ACM), Mean ratio = 3.76, standard deviation = 1.00122374 which indicated that the distribution of audit committee frequency meetings does not deviate from the average. An audit committee frequency meeting has a minimum of 1 meetings and a maximum of 6 meetings annually for the period considered. The audit committee expertise (ACE) has a mean value of 0.173 and standard deviation is 0.161315763 which suggest that audit committee expertise distribution does slightly exhibit considerable clustering around the average. The minimum and maximum observations were 0 and 0.667 respectively.

4.1 Correlation Analysis

Table 2 presented the Pearson correlation coefficient of audit committee characteristics variables (ACS, ACM and ACE) and dependent variable (TFR) of selected manufacturing companies in Nigeria. A correlation test is made to determine whether the independent variables (audit committee characteristics) and dependent variables (timeliness of financial reporting) are influenced by each other.

The study indicated that there is a negative correlation between timeliness of financial reporting and audit committee size since coefficient of correlation (r) = -0.078. Therefore, lower audit committee size will lead to higher timeliness of financial reporting vice versa. The association between timeliness of financial reporting and audit committee size showed a weak correlation with a correlation coefficient of -7.8%. The association between timeliness of financial reporting and audit committee size is not statistically significance at 10% level of significance with p value of 0.596.

The table further showed that there is a positive correlation between timeliness of financial reporting and audit committee frequency of meetings since coefficient of correlation (r) = 0.151. Therefore, lower audit committee frequency of meetings will lead to lower timeliness of financial reporting vice versa. The association between timeliness of financial reporting and audit committee frequency of meetings showed a weak correlation with a correlation coefficient of 15.1%. The association between timeliness of financial reporting and audit committee frequency of meetings is not statistically significance at 10% level of significance with p value of 0.300.

Also, Table 3 showed that there is a positive correlation between timeliness of financial reporting and audit committee expertise since coefficient of correlation (r) = 0.321. Therefore, lower audit committee expertise will lead to lower timeliness of financial reporting vice versa. The association between timeliness of financial reporting and audit committee expertise shows a weak correlation with a correlation coefficient of 32.1%. The association between timeliness of financial reporting and audit committee expertise is statistically significance at 10% level of significance with p value of 0.025.

Table 2. Correlation matrix (TFR as dependent variable)

<table>
<thead>
<tr>
<th></th>
<th>TFR</th>
<th>ACS</th>
<th>ACM</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td></td>
<td>-.078</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.596</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACM</td>
<td></td>
<td>.151</td>
<td>.157</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.300</td>
<td>.275</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>ACE</td>
<td></td>
<td>.321*</td>
<td>-.277</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.025</td>
<td>.051</td>
<td>.616</td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed); Source: Data Analyses, 2018

Table 3. Multicollinearity test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Variance Inflation Factor (VIF)</th>
<th>Tolerance value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>1.104</td>
<td>0.906</td>
</tr>
<tr>
<td>ACM</td>
<td>1.025</td>
<td>0.976</td>
</tr>
<tr>
<td>ACE</td>
<td>1.084</td>
<td>0.922</td>
</tr>
</tbody>
</table>

Source: Data Analyses, 2018
In testing for multicollinearity, the variance inflation factor (VIF) and Tolerance value test was conducted. The VIF showed how much of the variance of a coefficient estimate of regressors has been inflated due to collinearity with the other regressors. Basically, VIFs above 10 are seen as a cause of concern [25]. As observed in Table 3, none of the variables have VIF’s values exceeding 10 and hence none gave serious indication of multicollinearity. Also, previous studies such as [26], [27] among others used Tolerance value in conjunction with VIF to test for the existence of multicollinearity among variables.

A variable with Tolerance value of less than 0.1 showed existence of high multicollinearity between it and other variables. Also, none of the variables has Tolerance value of less than 0.1. Then, we can conclude that there is no problem or existence of high multicollinearity in the model. Therefore, a regression is valid to perform.

4.2 OLS Regression Analysis

Table 4, showed the value of the R square (coefficient of determination) which is approximately 13.3%, it implies that the independent variables in this model that is audit committee characteristics account for about 13.3% of the variation in the dependent variable (timeliness of financial reporting). The Durbin Watson value is 1.454 which is within the expected range of 1.5 to 2.5. It indicated that there is absence of auto correlation in the model. F-stat of 2.307 which is significant at 10% with p-value (0.089). This implies the model specification is fair at predicting the timeliness of financial reporting (TFR).

<table>
<thead>
<tr>
<th>TFR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.697 (0.460)</td>
</tr>
<tr>
<td>ACS</td>
<td>-0.115 (0.927)</td>
</tr>
<tr>
<td>ACM</td>
<td>0.509 (0.216)</td>
</tr>
<tr>
<td>ACE</td>
<td>0.451 (0.027)</td>
</tr>
<tr>
<td>R SQUARE</td>
<td>0.133</td>
</tr>
<tr>
<td>F-STAT</td>
<td>2.307 (0.089)</td>
</tr>
<tr>
<td>DW</td>
<td>1.454</td>
</tr>
<tr>
<td>No of Observation</td>
<td>50</td>
</tr>
</tbody>
</table>

The regression result showed the relationship of each variable on the dependent variable (TFR). Audit committee size (ACS) showed a negative and statistically insignificant relationship with timeliness of financial reporting (β = -0.115, p value of 0.927). Specifically, an increase in financial reporting timeliness by -0.115 points leads to a decrease in audit committee size ratio by 1 unit. Frequency of meetings (ACM) showed a positive insignificant relationship with timeliness of financial reporting (β = 0.509, p value of 0.216). Therefore, increases in frequency of meetings have no significant effect on timeliness of financial reporting. Furthermore, audit committee expertise (ACE) showed a positive significant relationship with timeliness of financial reporting (β = 0.451, p value of 0.027). Therefore, increase in audit committee expertise will significantly enhance timeliness of financial reporting.

5. DISCUSSION OF FINDINGS

The result of this study revealed that audit committee size and timeliness of financial reporting were not significant but negatively related. This finding revealed consistent with the study carried out by Ilaboya and Iyafekhe [28], Appah and Emeh [29]. They concluded that an increase in the audit committee size improved the proper monitoring and effectiveness of financial reports.

The study also revealed that frequency of meetings and timeliness of financial reporting were not significant and positively related. This finding was tangential to the study conducted by Shukeri and Nelson [30] which showed that frequency of meetings of audit committee, have insignificant negative impacts on timeliness of financial reporting. The result of this study also indicated that audit committee financial expertise and timelines of financial reporting showed significant relationship and positively related. This finding was consistent with the study of [31]; [32] that finds audit committee to be significantly related to audit report lag.

6. CONCLUSION AND RECOMMENDATIONS

Based on the analyses of the data gathered and the interpretation of results, the study established that the relationship between audit committee size and timeliness of financial reporting among listed food and beverages companies in Nigeria was not significant (p>0.10) and negatively related ($\beta_{X} = -0.115$). The study concluded that only audit committee expertise possess
significant relationship with timeliness of financial reporting.

However, the study recommends that audit committee size should not be increased beyond the regulatory specification of six. Also, Government and professional bodies should come up with policies and regulations that will help the companies to comply with timeliness of financial reporting.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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